

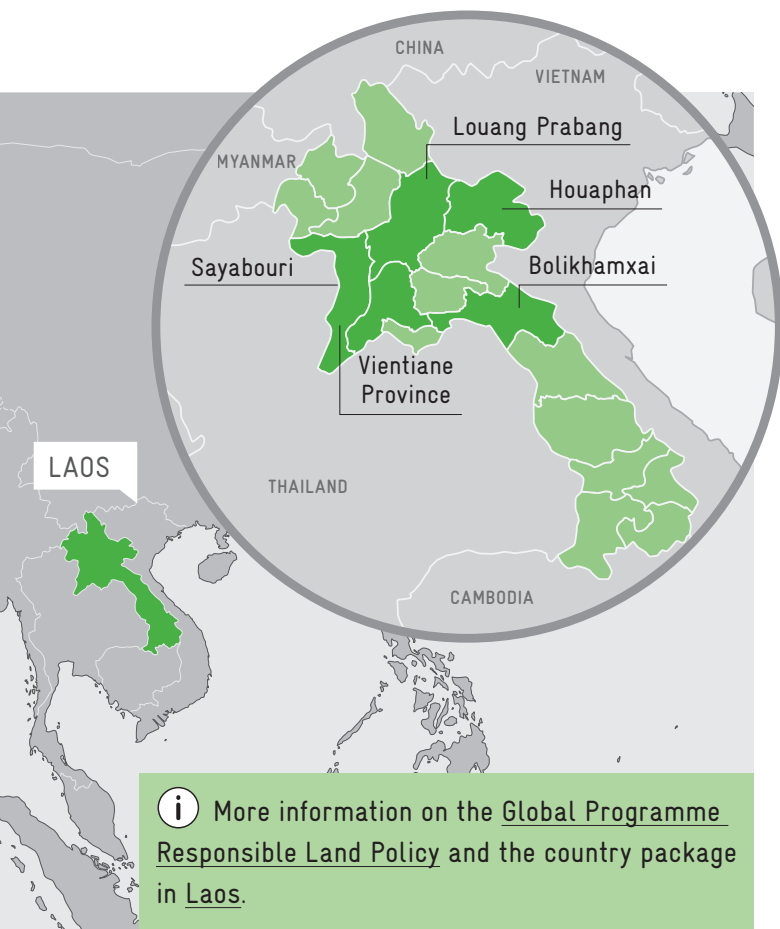


Global Programme Responsible Land Policy Good Practice

LAOS: INVESTMENT PROJECT MONITORING

Programme

THE GLOBAL PROGRAMME RESPONSIBLE LAND POLICY (GPRLP) IS PART OF THE SPECIAL INITIATIVE 'ONE WORLD, NO HUNGER' OF THE GERMAN FEDERAL MINISTRY FOR ECONOMIC COOPERATION AND DEVELOPMENT (BMZ), WHICH AIMS TO REDUCE EXTREME POVERTY AND HUNGER.



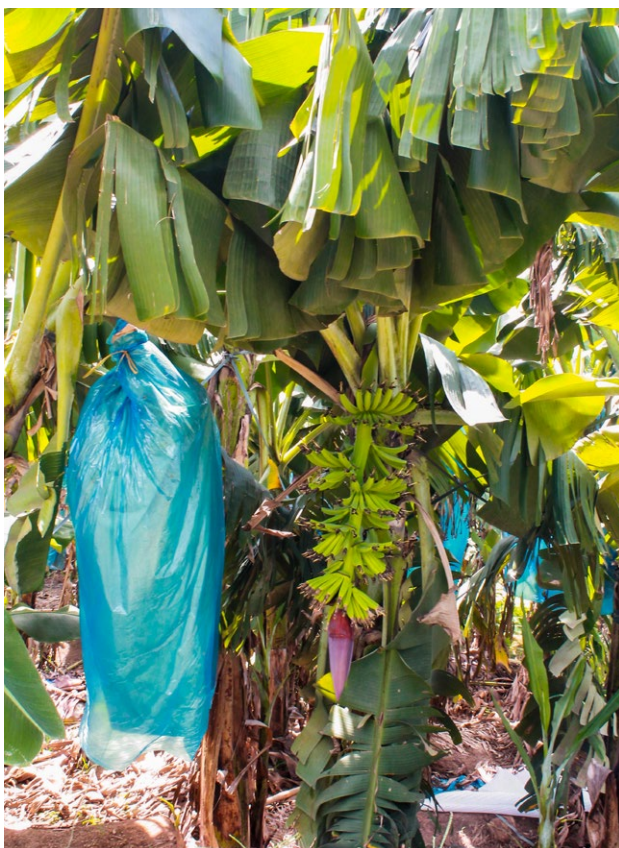
The programme is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in countries across Africa, Asia and South America. Its main objective is to secure access to land as a major prerequisite for poverty and hunger reduction in rural areas, especially for marginalized groups such as women and indigenous communities.

THE GLOBAL PROGRAMME IS IMPLEMENTED ALONG THREE FIELDS OF ACTION:

- Improving procedures to secure land ownership and user rights for the rural population
- Promoting the participation of civil society
- Improving the framework conditions for responsible agricultural investments

In Laos, the **Enhanced Land Tenure Security (ELTeS)** project, as part of the Global Programme, supports securing land use and land ownership rights, strengthening planning processes and fostering responsible investments in land. The latter component is supported through additional funding from the European Union (EU) through the project Promoting Responsible Governance of Investments in Land (RGIL). Under RGIL, the programme implements awareness-raising, monitoring and dialogue activities related to responsible agricultural and forestry investments. One key approach to improve compliance with environmental and social standards for land investments is to support Lao authorities in the systematic monitoring of investments including the follow-up on commitments that investor, villagers and authorities have agreed on. Via its **Investment Project Monitoring (IPM)**, RGIL currently supports local authorities in 19 districts in the four target provinces Sayabouri, Luang Prabang, Vientiane and Bolikhamxai.

Starting point



IN CENTRAL AND NORTHERN LAOS, THE DOMINANT COMMODITIES FOR AGRICULTURAL INVESTMENTS ARE RUBBER, BANANA, SUGARCANE, CASSAVA AND CORN. Most plantations are owned by Chinese investors who lease land, have concessions, or engage communities in contract farming arrangements.

Even though such agricultural investments have created job opportunities and income for local people, they often have a number of negative impacts on local farmers' land use, their health, productivity and the environment. Local farmers often do not know to whom their complaints should be addressed. The existing legal framework contains weaknesses, and above all, there are limitations in the enforcement of laws. Government steering, monitoring and complaint mechanisms for land investments are often ineffective.

Chemicals are often used to protect bananas from pests

Furthermore, a proper control system for land leases and concessions, as well as for other types of investment contract arrangements, is not in place. Meanwhile, government agencies are not clear on their roles and responsibilities and consultations with local communities are rare.

Approach

THE INVESTMENT PROJECT MONITORING (IPM) IS AN INTEGRAL PART of the EU and BMZ co-funded project Promoting Responsible Governance of Investments in Land (RGIL), which is part of the ELTeS project. RGIL aims to ensure that agriculture and forestry investments contribute to sustainable land management, respect the rights and needs of local populations and foster the productive use of land. Besides IPM, RGIL includes activities like targeted awareness-raising of responsible investments to villagers and the conduction of investor dialogue fora and multi-stakeholder dialogues among investors, government authorities and communities.

The key element of IPM is to support provincial and district government officials in the systematic monitoring of how companies comply with legal requirements and good business practices of their investments. The monitoring process includes annual checks on whether companies adhere to environmental regulations, respect land tenure and land-related agreements, and how they treat their workers and relations with local communities.

During annual IPM visits to investors, local government officials enter their interview inputs against a list of criteria using a mobile IPM app that calculates a weighted total score for each investment project. Involved officials can access the list of identified issues and areas which do not comply with government standards, including contractual agreements, from anywhere at the click of a button on a mobile device. Between monitoring visits, they can continue to feed new information into the digital system.

To ensure that complaints and recommendations made by affected communities are captured systematically, Minutes of Monitoring (MoM) are documented digitally as well. The IPM approach acknowledges that all three parties (investors, affected communities and governments) play a crucial role in turning an investment into a mutually beneficial endeavour.



Screenshot of the app's interface

Method

THE IPM APP CONSISTS OF SIX CRITERIA FOR RESPONSIBLE INVESTMENT, which were developed and agreed upon by the Investment Promotion Department (IPD), which is under the Ministry of Planning and Investment (MPI) and the Provincial Department for Planning and Investment of the target provinces. The ownership of the IPM app lies within the IPD. All criteria are based on the Lao legal framework and draw on international guidelines such as the Voluntary Guidelines on Responsible

Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the Committee on World Food Security’s Principles on Responsible Agricultural Investment (RAI) and Free, Prior and Informed Consent (FPIC) standards.

The selected investment projects are analysed according to the following **six criteria** below.

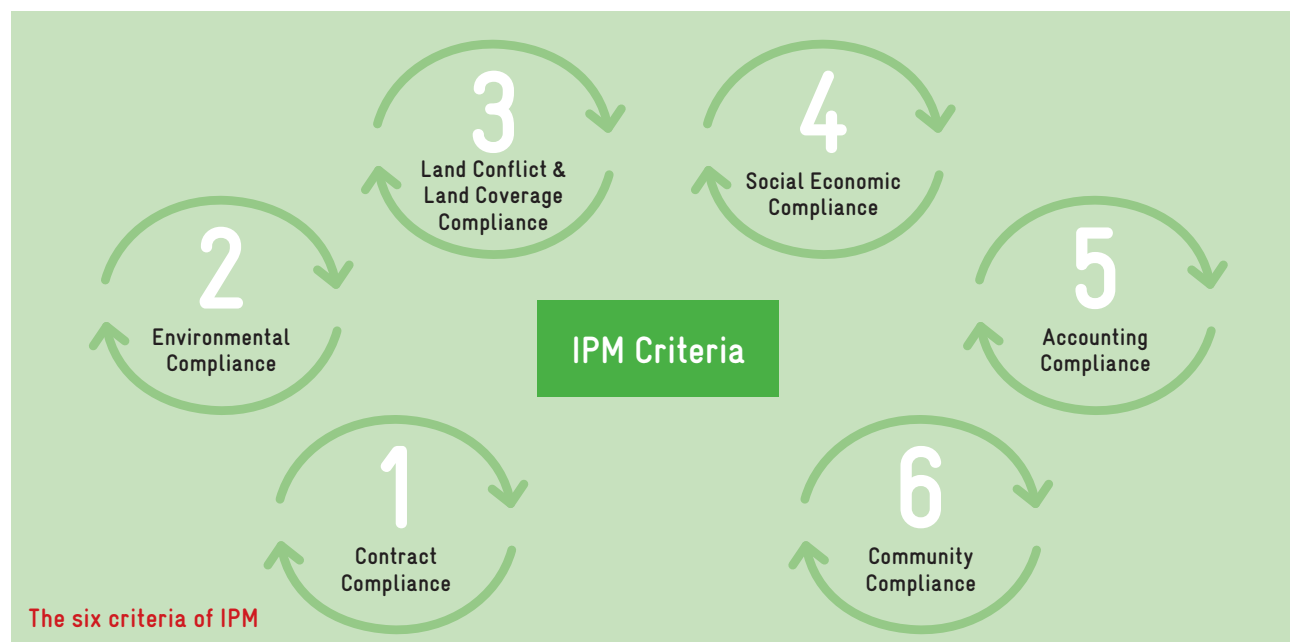
Based on a structured questionnaire, investment projects are assessed with a rating score for each

criterion. The scale of the rating is from zero to five. Standardized questions are asked to the following stakeholders of each investment:

1. company representatives,
2. employees of the company and
3. the representative of affected neighbouring communities.

The aim of the rating system is to measure improvements in the investment practices induced by the set of activities supporting responsible investments over the course of three yearly evaluation cycles. The main focus of the investment monitoring is on compliance.

Both the IPM and MoM apps were designed by GIZ ELTeS and RGIL staff in close coordination with the governmental counterparts, using specific software which provides a convenient interface for displaying and keeping track of monitoring data. The design followed the desire to be straightforward and user-friendly, and to fit the knowledge of local agencies, especially at the district level, to ensure long-term use. At the same time, the development and maintenance are low-cost. After a trial period with various training sessions and joint monitoring missions where GIZ staff assisted government partners, district staff have been able to use this tool independently two years after the initial activities.



Positive changes

1. Through the extensive IPM training, to date **154 government staff** (31 % female) have been able to **use the investment monitoring tool independently**, with only ad hoc support necessary from GIZ advisors. So far, **135 investment projects** have committed themselves to the monitoring system, of which **59 (44%)** have **already gradually improved their performance** after roughly three years along the agreed rating criteria.
 2. Moreover, being part of the IPM process has triggered **investors** to express **interest in learning about and being updated on the legal framework**. It has also pushed them to **participate in multi-stakeholder meetings and investor dialogues with communities** to improve their business operation and performance.
 3. **Communities** in the target districts have actively **participated in awareness raising events** also monitored through IPM, **learned about their rights** in land investment processes, **voiced their concerns and negotiated directly with investors** and relevant officials.
 4. The tool itself has been gradually improved, and it has been proposed by the MPI to be used for monitoring purposes in non-agricultural and forest sectors as well as to be made available nationwide.
- 135 investment projects have committed themselves to the monitoring system, of which 59 (44%) have already gradually improved their performance.**

Company Name	Score
Company Name	3.11
Company Name	2.09
Company Name	3.73
Company Name	3.51
Company Name	2.99
Company Name	3.18
Company Name	3.76
Company Name	3.33
Company Name	3.29
Company Name	3.39
Company Name	2.84
Company Name	2.09

Example of actual scoring of investment companies in Kaenthao district, Sayaboury Province, on a scale from 0 to 5 (companies' names anonymised)

For replication



Government officials learning how to use a tablet for IPM purposes during a training

THE RAI NETWORK IN LAOS IS THE MAJOR PLATFORM through which to promote responsible agricultural investments domestically and regionally. It includes development partners and CSOs, such as GIZ, the Food and Agriculture Organization (FAO), United Nations Development Programme (UNDP) and Mekong Region Land Governance (MRLG) project as well as Village Focus International (VFI), Oxfam, Helvetas and others. This platform has a key role in the replication of IPM as it allows other development partners to learn from the project's IPM experiences and possibly support their government counterparts technically and financially to implement corresponding activities.

In addition, GIZ staff play an active role as a sounding board for the MPI and are task force members for the development and improvement of relevant legal documents, such as the investment law of 2016 and a new legal document on contract farming. These regulations constitute the foundation on which the IPM criteria are built on. They also serve as a basis for further monitoring of agricultural and forestry investment projects as well as for upscaling of monitoring measures to investment projects in other sectors in Laos.

For replication of the IPM approach in other contexts, the following aspects are considered key elements:

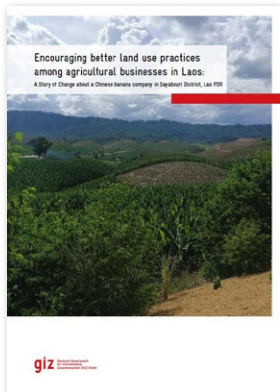
- Assess the exact monitoring needs together with counterparts and existing regulations and standards that need to be covered by the monitoring system
- Develop a comprehensive questionnaire based on the assessment and revise if required to ensure that IPM criteria are fit for purpose
- Choose a user-friendly app and software (e.g. *Appsheet*) for data collection and improve constantly based on implementation experiences
- Ensure that a local server for data storage is in place and budget available for regular maintenance; otherwise a cloud solution can be an option
- Take data protection and data security into consideration and decide who should assume ownership of the monitoring system
- Develop the required capacities amongst staff of the responsible government officials at all levels through trainings to enable them to use the app independently

Further information

Quality Investment Promotion – Impact Assessment Report, GIZ Laos (2018)
(accessible for GIZ staff)

Instruction on Investment Approval and Land Management Mechanism for Leasing or Concession to Cultivate Crops, MPI (2019)

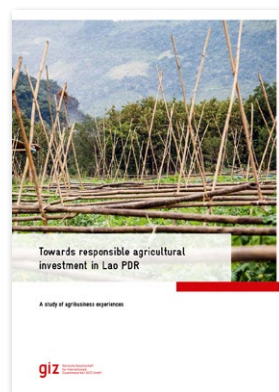
Encouraging better land use practices among agricultural businesses in Laos:



A Story of Change about a Chinese banana company, Sayabouri Province, GIZ (2019)



A Story of Change about Niphonsub Tea Company, Sayabouri Province, GIZ (2019)



Towards Responsible Agricultural Investment in Lao PDR – A study of Agribusiness Experiences, GIZ (2018)



Factsheet Responsible Land Policy in Laos, GIZ (2021)



Factsheet Promoting Responsible Governance of Investments in Land in Laos, GIZ (2021)

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